

University of California Comments
Vice Provost Julius Zelmanowitz
to
The Little Hoover Commission

Public Hearing on GRP 1, Boards & Commissions
Secretary of State Building, 1500 11th St., 1st Floor Auditorium
Sacramento
Wednesday, January 26, 2005

Thank you, Chair Alpert and members of the Little Hoover Commission. My name is Julius Zelmanowitz and I am here on behalf of the University of California. I am Vice Provost for Academic Initiatives in the Office of President, UC's system office in Oakland.

We thank you for the opportunity to comment on the Governor's proposed reorganization of two of the state's higher education agencies, the California Postsecondary Education Commission (CPEC) and the California Student Aid Commission (CSAC). The Governor proposes moving the functions of both agencies to a newly-created Office of Higher Education and Financial Aid within the Administration and disbanding both commissions.

The University of California supports efforts to increase the visibility of higher education issues in the Administration and one way of accomplishing that would be through creating a dedicated office for higher education. UC also supports the Governor's proposed continuation and consolidation of the program administration functions currently performed by CPEC and CSAC in the proposed new Office of Higher Education and Financial Aid. In particular, we believe the state needs a highly visible state financial aid program with a centralized program oversight structure.

However, the University recommends that the state maintain the academic coordination, academic planning, and policy analysis functions of the two current agencies under some form of an higher education coordinating entity, as envisioned under California's Master Plan for Higher Education.

California's higher education system has served the state and the nation extremely well since adoption of the Master Plan in 1960. The Master Plan ensured that each of the higher education segments, including the independent colleges and universities, had clearly defined missions to reduce duplication and overlap and to increase efficiency. Such a differentiated system will only work if there is coordination and cooperation among the segments. An

independent, effective, and respected coordinating entity is a proven means for helping ensure such coordination.

Government efficiency and effectiveness is the focus of the Governor's proposal, emerging as it did from the California Performance Review, and it is also a key focus of your commission. Thus, it is important to note that the Master Plan functions currently lodged in CPEC and CSAC were designed to improve the efficiency and effectiveness of higher education in order to meet the state's needs for quality postsecondary instruction, research, and public service.

In particular, two higher education coordinating functions are crucial in this regard: review and approval of new campuses and off-campus centers and review and recommendations for new academic programs. The Cal Grant program was also designed in part to ensure efficiency by offering portable Cal Grants to California residents, thus maximizing unused capacity in the state's private colleges and universities

These functions, thoughtfully and appropriately carried out, have saved the state millions of dollars by carefully planning the expansion of higher education in order to address California's need to create new knowledge, new industries, a skilled workforce, and an educated citizenry.

Just knowing that new campuses and new academic programs will be subject to an independent academic review of their merits ensures that better and more carefully planned proposals emerge from UC, CSU, and the community colleges. The current process for new campus review requires consultation across segments and a demonstration that new facilities will enhance rather than duplicate existing facilities in both the public and private sectors.

Such review could occur, and often does occur, in other places in state government, but one of the historical advantages of higher education governance in California has been its independence from the political process and a focus on long term planning guided by a consistent interpretation of the Master Plan. The current model of a lay governing board accountable to the state with a degree of independence from the day-to-day politics of Sacramento allows for fundamentally academic decisions to be made on academic grounds, with appropriate input and give-and-take with faculty, administrators, and knowledgeable state government officials.

Thus, we recognize the importance of this model for the academic coordinating, planning, and policy analysis aspects of the functions currently assigned to CPEC and the California Student Aid Commission. To attain greater efficiencies, the state and the segments could further explore options

such as (1) combining the two existing commissions into a single entity, and (2) decentralizing some of the existing program delivery responsibilities to the segments – especially the identification of students meeting the statutorily-defined eligibility requirements for a Cal Grant.

We recommend developing categories of functions that are appropriate for an executive agency, those appropriate for the segments themselves, and the remaining functions that should be retained by an independent higher education coordinating entity. A proposed starting point for developing such categories is attached to the written version of these comments.

We also believe there are mechanisms that can help to ensure the effectiveness of a coordinating entity. In particular, we recommend a single appointing authority (the Governor) for a majority of the members of the coordinating group, legislative confirmation of appointees, fixed and staggered terms that exceed the term of the appointing authority, segmental representatives, and a professional staff chosen for their expertise in higher education.

If the state chooses not to continue the lay commission model for higher education, we recommend (as did the original Master Plan) delegating these essential coordinating functions to a coordinating council consisting primarily of segmental representatives with some number of public and ex officio appointments. The California Education Round Table, which now includes the segmental leaders, could be the nucleus of such a new entity.

I will stop here in consideration of the Commission's time constraints, but am prepared to try and answer any questions you might have about my testimony.

Attachment
to
University of California January 26, 2005 comments to
The Little Hoover Commission

Categories of Current Higher Education Function in State Agencies

State program administration functions (appropriate for a new Office of Higher Education and Financial Aid)

- Administration of the Cal Grant program, the state student loan guarantee agency function, and other state financial aid programs (currently with CSAC)
- Financial aid information dissemination and outreach (currently with CSAC)
- Administration of the federal Improving Teacher Quality (ITQ) program of teacher professional development grants (currently with CPEC)

Coordination/policy analysis functions (appropriate for an independent coordinating entity)

- Academic program review (currently with CPEC)
- Review and approval of new campuses and new off-campus centers (currently with CPEC)
- Independent policy analysis of higher education issues (currently with CPEC)
- Independent policy analysis of state fee and financial aid issues (currently with both CPEC and CSAC)
- Enrollment demand and eligibility studies (currently with CPEC)
- Faculty and executive compensation studies (currently with CPEC)
- Capital facilities and needs analysis (currently with CPEC)